

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WARREN COUNTY WATER)
DISTRICT, WARREN COUNTY, KENTUCKY, (A))
FOR A CERTIFICATE OF CONVENIENCE AND)
NECESSITY, PURSUANT TO KRS 278.020 AND)
278.023, AUTHORIZING SAID DISTRICT TO)
CONSTRUCT IMPROVEMENTS AND EXTENSIONS)
TO ITS EXISTING WATER SYSTEM, WHICH)
IMPROVEMENTS AND EXTENSIONS WILL BE)
FINANCED IN PART UNDER THE TERMS OF AN)
AGREEMENT BETWEEN THE WATER DISTRICT)
AND THE UNITED STATES DEPARTMENT OF)
AGRICULTURE; RURAL DEVELOPMENT; (B) FOR)
AUTHORITY TO ISSUE CERTAIN SECURITIES AS)
REQUIRED BY KRS 278.300; AND (C) FOR)
APPROVAL OF WATER RATES AND CHARGES)

CASE NO. 99-350

O R D E R

On August 18, 1999, Warren County Water District (Warren District) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$5,650,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project consists of the construction of a 2,000,000 gallon elevated water storage tank, an 1,800 gallon per minute booster pump station, and 24,000 linear feet of 30-inch ductile iron transmission main and related appurtenances. Project funding is a \$2,000,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development (RD) and \$3,650,000 in private revenue bonds.

Warren District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of

Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on August 18, 1999, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Warren District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Warren District's proposed plan of financing with RD is accepted.

3. Warren District is authorized to issue bonds not to exceed \$5,650,000.

4. Warren District shall file a copy of the as-built drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

6. Warren District shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Three years from the effective date of this Order, Warren District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 15th day of September, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-350 DATED SEPTEMBER 15, 1999

The following rates and charges are prescribed for the customers in the area served by Warren County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MONTHLY RATES:

5/8 x 3/4 Meter

First	2,000	gallons	\$9.75	Minimum Bill
Next	8,000	gallons	2.68	per 1,000 gallons
Next	90,000	gallons	2.18	per 1,000 gallons
Next	900,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons

3/4 Meter

First	3,000	gallons	\$12.68	Minimum Bill
Next	7,000	gallons	2.68	per 1,000 gallons
Next	90,000	gallons	2.18	per 1,000 gallons
Next	900,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons

1 Meter

First	5,000	gallons	\$18.68	Minimum Bill
Next	5,000	gallons	2.68	per 1,000 gallons
Next	90,000	gallons	2.18	per 1,000 gallons
Next	900,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons

1 1/2 Meter

First	10,000	gallons	\$35.22	Minimum Bill
Next	90,000	gallons	2.18	per 1,000 gallons
Next	900,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons

2 Meter

First	16,000	gallons	\$50.18	Minimum Bill
-------	--------	---------	---------	--------------

Next	84,000	gallons	2.18	per 1,000 gallons
Next	900,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons

3 Meter

First	30,000	gallons	\$127.19	Minimum Bill
Next	70,000	gallons	2.18	per 1,000 gallons
Next	900,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons

4 Meter

First	50,000	gallons	\$182.64	Minimum Bill
Next	50,000	gallons	2.18	per 1,000 gallons
Next	900,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons

6 Meter

First	100,000	gallons	\$310.30	Minimum Bill
Next	900,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons

8 Meter

First	160,000	gallons	\$437.15	Minimum Bill
Next	840,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons

10 Meter

First	550,000	gallons	\$1,171.46	Minimum Bill
Next	450,000	gallons	1.80	per 1,000 gallons
All Over	1,000,000	gallons	1.49	per 1,000 gallons